

**NORTH RIDGEVILLE CITY COUNCIL
FINANCE COMMITTEE
MINUTES OF MEETING HELD
AUGUST 27, 2018**

To Order:

Chairman Martin DeVries called the meeting to order at 6:00 p.m. in Council Chambers at North Ridgeville City Hall, 7307 Avon Belden Road.

Attendance:

In attendance were Committee members Dennis Boose, Bruce Abens and Chairman Martin DeVries.

Also in attendance were Law Director Brian Moriarty, Mayor David Gillock, Auditor Jeff Wilcheck, Safety-Service Director Jeff Armbruster, President Kevin Corcoran, Assistant Clerk of Council Tara Peet, Superintendent of the French Creek Wastewater Treatment Plant Corey Timko, City Engineer Dan Rodriguez and Councilwoman Michelle Hung.

Minutes:

Chairman DeVries asked for any additions or corrections to the July 2, 2018 meeting minutes. No discussion was offered. The minutes stand approved as submitted.

Discussion regarding an Ordinance amending Exhibit “A” of the Department Head salary Ordinance No. 2725-93 and subsequent amendments thereto:

Chairman DeVries began with T 52 (this actual Ordinance died in committee and will need reintroduced to City Council with a new T number).

Safety-Service Director Armbruster stated what was before the Committee was the department head, supervisory, confidential employee benefit and wage schedule. The reason it is before the Committee was to add additional columns because some employees are at the top of the scale. The entry level column was eliminated at some point. Six employees are maxed out and were awarded a step increase upon completion of their evaluation. Each step is roughly two percent. He further noted the union contract grants everyone a 2.35% increase annually each year in addition to the merit raises. The employees impacted by this are Robin Mayda, Renee Brewer and Brenda Tuttle to name a few.

Chairman DeVries asked if the position scales on the Exhibit “A” were compared in a study to other municipalities.

Mayor Gillock stated no. He further added he knew the wages were right in the middle of the road compared to other cities.

Safety-Service Director Armbruster stated City Council gave the Administration a pool of money for increases for 2018. All employees were given a two percent increase, with the exception of one employee based on performance evaluations. He noted performance

evaluations determine whether or not an employee gets an increase. Safety-Service Director Armbruster stated they plan to do a study of all the employees on the exhibit, but they just haven't had the opportunity. He added he felt a lot of the wages were not competitive and suggested removing columns A and B from the exhibit.

Chairman DeVries asked if adding the two additional columns is giving room for an earned increase rather than a required increase.

Mayor Gillock stated that was correct. He noted that the unions have an entry level column they are required to begin at. He noted he felt they lost an offer they presented to a candidate because of that entry level requirement. Mayor Gillock felt there would need to be a discussion about that down the road.

Chairman DeVries asked the Auditor if the Ordinance is put in place, how it will impact the budget financially.

Auditor Wilcheck stated he could not provide the answer but further added it only impacted five employees.

Mayor Gillock stated it was actually six employees. He stated if everyone averaged a salary of about \$50,000 and the increases were about \$1,000 each it would roughly be \$6,000.

Councilman Boose asked if each employee received an annual evaluation and if increases were only being awarded for those employees that met or exceeded expectation based on those evaluations and further asked if they did not meet expectations would they receive a lesser increase.

Safety-Service Director Armbruster stated that was correct. He noted that if the salary conversion Ordinance is approved, those department heads would be removed from the exhibit before the Committee.

Chairman DeVries asked if anyone else had any questions. No discussion was offered. He asked if anyone in the audience cared to speak.

President Corcoran noted what is being discussed, as with past conversations, is there are wage increases and merit increases.

Mayor Gillock stated they were the same thing.

President Corcoran stated it was not the same thing. He stated adding two additional columns raises the wage scale rather than a bonus which is separate from the wage scale.

Mayor Gillock stated President Corcoran was confusing T 52 and the department head salary conversion Ordinance. Exhibit "A" will just be confidential employees who are

not department heads. Mayor Gillock stated by adding the two additional columns employees at the top of the scale can get an increase.

President Corcoran stated it is raising the wage scale based on a review rather than giving the employee a bonus based on performance. He stated the increases have nothing to do with the performance evaluation. The performance evaluation was the Administration's attempt to justify the increase in salary.

Mayor Gillock stated it was an increase to the salary based on performance. He stated maybe Council wants to redefine it.

Chairman DeVries stated it is the equivalent of a cost of living increase.

President Corcoran stated the employees get a cost of living increase from the average of the union contracts (2.35%) annually in addition to merit increases.

Councilman Boose asked for clarity if the employee receives a merit increase does it raise their salary.

Mayor Gillock stated yes.

Chairman DeVries stated in the private sector if an employee does not meet expectations, an increase in wage is not awarded.

It was moved by Boose and seconded by Abens to recommend City Council review and consider the Ordinance as submitted.

A voice vote was taken and the motion carried, 3-0.

Discussion regarding an Ordinance amending Ordinance No. 2725-93 and subsequent amendments thereto in order to establish compensation and benefits afforded to department heads and certain discretionary employees:

Chairman DeVries moved on to T 62 (this actual Ordinance died in committee and will need reintroduced to City Council with a new T number). He noted there were changes in red that came from the Law Director.

Chairman DeVries asked about Section 6(B) regarding the eligibility of vacation and noted it stated vacation should be taken within twelve months. He asked the Law Director if it conflicted with Section E regarding the carryover of vacation.

Law Director Moriarty stated he didn't see a problem with the language.

Chairman DeVries asked if vacation banks and carryover balances would be tracked.

Mayor Gillock stated yes by the Auditor's office.

Chairman DeVries asked what rate of pay the employee would be cashing their balances at.

Mayor Gillock stated at their current rate of pay.

Chairman DeVries asked if there was a way to change that.

Law Director Moriarty stated it mirrors the collective bargaining agreements and added from a tracking standpoint it would be difficult to track.

Auditor Wilcheck suggested changing the language for vacation leave to read “vacation leave shall be taken within twelve months after credited” rather than “earned”.

Councilman Boose asked if employees could cash out years of vacation based on how the language is written.

Mayor Gillock stated the max they could cash is forty hours.

Councilman Boose asked the Administration what the goal was for the Ordinance.

Mayor Gillock stated he felt department heads weren't being treated like department heads. His intent was to eliminate overtime for them. How they came up with the new wages and scale was to look back at the base wage and overtime average for the past three years. Mayor Gillock noted the City did contract with Clemans Nelson and Associates, Inc. to see if the scales were in the range of other municipalities. Mayor Gillock stated a few employees are above the average scale in other cities. Those employees will stay stagnant for a while until their scale catches up to their wage. He also noted a few were under the range and needed an increase. They won't have to punch in and out and will have greater flexibility.

Law Director Moriarty stated some sections were eliminated from the Ordinance because things like bereavement and jury leave are referenced in the Employee Handbook and they can just ask the Mayor for permission to go.

Safety-Service Director Armbruster stated the department heads do evaluations on their employees.

Chairman DeVries stated he felt payroll expenses needed controlled and expenses in general for the future need controlled. He added he had concerns about longevity. He stated five to six employees currently on the list do not receive longevity and if the Ordinance is adopted as presented, they will.

Law Director Moriarty stated he thought it was only two employees.

President Corcoran stated there are five to six.

Mayor Gillock stated the longevity is a large number when it is added all together. On an individual basis it is just a couple grand. He stated any new hires under the union contract don't receive longevity until they have been with the City five years. Mayor Gillock stated there are a few salary employees that currently do not receive longevity and would like to see all department head benefits standardized. He felt either pay everyone longevity that is eligible or take it all away from everyone. Mayor Gillock stated it was probably roughly \$10,000 in longevity.

Chairman DeVries asked about pension pick up.

Mayor Gillock stated there were only a few employees that don't receive it.

Chairman DeVries clarified that if the Ordinance were adopted, come October 31 any new hires would not receive longevity.

Mayor Gillock stated yes.

Councilman Boose asked if the employees listed on the Exhibit "A", outside of the range, were already receiving that pay.

Mayor Gillock stated no. That number was an average of the last three years of overtime and wage.

Councilman Boose asked if it were based on the salary survey.

Mayor Gillock stated the first two columns with the min and max were ranges created based on the salary survey. He further added those employees out of the range will be frozen for a while. He used Assistant Clerk of Council Peet as an example that she will be at \$74,610.86 for a while until her range catches up. Mayor Gillock used Corey Timko as another example and stated he was over the range but with overtime averages they put him at \$114,954.60.

Auditor Wilcheck stated most of the employees, based on the salary survey, were within the suggested range.

Mayor Gillock stated the budget should stay the same with the conversion to salary as this was basically what the employees were being paid now.

Councilman Boose stated he was concerned that some departments were short staffed and the department was working more overtime than normal had the department been properly staffed. The employee's overtime number would be very inflated.

Mayor Gillock stated he would prefer to discuss personnel issues in executive session.

Councilman Boose stated he felt the salary needs to match the worth of the position.

Mayor Gillock stated Guy Fursdon does a lot of plan review on overtime.

Councilman Boose stated he was not picking Guy out, but he was only aware of his department being understaffed.

Chairman DeVries stated since the overtime average was looked back at for the last three years, was he assuming correctly that Guy's overtime average was not due to just being understaffed as he couldn't have been understaffed the last three years.

Auditor Wilcheck stated his assumption was correct.

Councilman Boose asked if sick time could actually be tracked in increments of thirty minutes when sick is not tracked now for some employees.

Auditor Wilcheck stated mostly every employee is tracked. He added he started his position with the five people not being tracked. He stated there is no direction in the position Ordinances that say who should be doing the tracking.

Mayor Gillock stated he disagreed with Auditor Wilcheck. He further added the Auditor will be tracking the sick time and can account for it in thirty minute increments. He stated he would like to see sick time removed but Ohio Revised Code mandates it.

Auditor Wilcheck stated he and April, although they do not have banks established, internally keep track themselves.

Auditor Wilcheck stated he had several things he felt should be addressed in the Ordinance. He stated he felt the number of sick hours that could be carried over from another agency should be limited to two hundred hours. Auditor Wilcheck stated he sent an email out about it and it was not added into the Ordinance. He further stated Ohio Revised Code permits the City to create a policy to limit sick hours carried from another agency. He also stated he felt the two hundred hours should be the last hours to be used and not eligible for cash out upon separation.

Mayor Gillock stated he completely disagreed as he reminded the Committee the Ordinance drafted for Bill Gluvna.

Councilman Boose asked if the employee could cash out their sick time before they leave the agency.

Mayor Gillock stated in order to cash out sick time with the City; the employee must be with the City ten years and can only cash out a maximum of 1,000 hours.

Safety-Service Director Armbruster stated he felt it was a good example of an employee's work ethic if they come to the City with a large carryover of sick hours to mean they never called off sick.

Councilman Boose asked if not having a policy creates a liability.

Mayor Gillock stated no because the City follows state law.

Law Director Moriarty stated state law does not prescribe a limit.

Chairman DeVries asked if the Ordinance could read two hundred hours could be carried over with the approval of City Council.

Mayor Gillock stated an employee can carryover all they want without limit. He further added no matter how much they carry over, they cannot cash anything in until year ten with a maximum cash out of 1,000 hours.

Auditor Wilcheck stated under state law they can transfer in all they have to our agency.

It was asked what would happen if an employee used all of their vacation and sick time hours.

Auditor Wilcheck stated he felt the issue needed some research.

Councilman Boose asked if the City provides short and long term disability options.

Auditor Wilcheck stated no.

Mayor Gillock stated a salary employee cannot be deducted salary because they run out of leave bank time.

Safety-Service Director Armbruster stated they had two employees with serious illness that never ran out of time. He reminded the Committee the provision of the sick leave donation program in the Ordinance.

Councilman Boose stated where he works, if he used all of his allotted time to include short and long term disability, he would then be out of a job.

Mayor Gillock stated he and the Law Director will research the issue.

Auditor Wilcheck stated all employees receive a 2.35% increase every January which is the average of the three union contracts or a cost of living increase. He felt that language needs put into the Ordinance as he did put it in and it was removed. He stated if it isn't put back in, an employee will never move within their range.

Chairman DeVries stated when making the conversion to salary, overtime was calculated in along with longevity. He didn't see why more money should be given.

Auditor Wilcheck stated as it was written, everyone will have a frozen wage.

Councilman Boose asked the Law Director to write that into the Ordinance and Council will take a look at it.

Auditor Wilcheck stated the salary survey that was completed was now one to two years old and somewhat dated. He felt the numbers should be revisited.

Councilman Boose stated that was why a range is set.

President Corcoran stated if a cost of living increase was incorporated into the Ordinance, the numbers won't be dated.

Safety-Service Director Armbruster stated he felt a quick update needed done. He further added Clemans Nelson and Associates, Inc. will do it.

Chairman DeVries asked how long the study took last time.

Safety-Service Director Armbruster stated Assistant Clerk of Council Peet could assist in getting this updated through her Clerk's Association.

Assistant Clerk of Council Peet stated she would assist.

Mayor Gillock stated Clemans Nelson and Associates could just provide a multiplier rather than redoing the survey.

Chairman DeVries asked if anyone in the audience had any questions.

President Corcoran asked why in section four of the Ordinance would a calculation be created rather than just beginning from zero.

Law Director Moriarty stated he found case law that stated the banks needed created but he arbitrarily came up with the calculation as he could not find one.

President Corcoran asked what the cost to the City would be to enact the legislation as the costs are clearly going upward.

Mayor Gillock felt about \$10,000 or so for longevity. He added other funds will need to be funded that would need funded even if the Ordinance were not adopted. The law says leave banks should have been maintained and they have not been.

President Corcoran stated this Ordinance allows people to cash things in that currently they would not be able to cash which is an increased cost.

Auditor Wilcheck stated only one person meets the cash out for sick leave which is \$41,000. He noted the hours in the banks far exceed what will be converted.

President Corcoran stated there are multiple costs being discussed.

Auditor Wilcheck stated he could not provide the cost.

Councilman Boose asked how many employees that currently receive vacation do not have vacation banks set up.

Auditor Wilcheck stated five or six.

President Corcoran asked why there was an hourly rate on the Exhibit A.

Auditor Wilcheck stated for the cashing in of vacation time.

President Corcoran felt the wage range from the study on the Service Department Superintendent and the Utilities Director should be switched. It would seem the Service Superintendent does more work than the Utilities Director.

Mayor Gillock stated that was just going off the survey.

Chairman DeVries stated he would like to see job comparisons added into the survey to make sure the job duties and wage are comparable in the survey.

President Corcoran stated the language on page four of the footnote is not consistent with the language on page 16(G). He would like to see that consistent.

President Corcoran asked if the five employees that are currently salary do not get longevity per their Ordinance and the goal is to phase out longevity all together; why the current Ordinance would not exclude those five from longevity.

Auditor Wilcheck stated all three union contracts provide longevity.

Mayor Gillock stated he wanted to see everyone treated the same.

President Corcoran stated there are five employees now that do not receive longevity currently.

Chairman DeVries stated the five that currently do not receive it per their Ordinance will get it if Council adopts what is before the Committee.

Mayor Gillock stated those employees would be different then, after the adoption of what is before the Committee.

Auditor Wilcheck stated he currently does not receive longevity now.

Chairman DeVries stated the goal was to phase out longevity.

Engineer Rodriguez stated he thought at year five he was due longevity.

President Corcoran stated per his Ordinance, he isn't eligible for that benefit.

Mayor Gillock stated that was not the intent when Dan was hired.

Law Director Moriarty stated the City currently has two employees that are due a substantial amount of money so the issue needs addressed.

Councilman Boose read the City Engineer's Ordinance and stated longevity isn't a benefit listed in the Ordinance.

President Corcoran stated the salary structure being discussed is encompassing the last three year's average of overtime. President Corcoran asked once employees are converted to salary; how the Administration would get them to work the same amount of time to complete their work.

Chairman DeVries stated they will need to be held accountable to get the job done whether it is forty hours or sixty-five hours. It comes down to character and credibility. If they do not have the required work ethic it would need addressed through disciplinary action.

President Corcoran stated a conversation should be had with the employees conveying these expectations.

Mayor Gillock stated it has been discussed with the employees several times. The Administration knows they will get the work done.

Councilman Boose reiterated what was stated at the last Committee meeting that every department is fully staffed. When applying the new salaries, he stated he didn't want to see additional staff being added down the line citing a department was understaffed initially.

Mayor Gillock stated the Building Department is short two employees and further agreed he would not expect department heads to come in asking for additional staff.

President Corcoran asked Law Director Moriarty on a procedural level how the legislation will be introduced since the original legislation died in Committee.

Assistant Clerk of Council Peet stated the legislation will be introduced by the members of the Finance Committee. It will be given a new T number and added under first readings.

Councilman Boose asked for comparable job description from the municipalities sampled in the study for the five positions out of the salary range to make certain the City was comparing apples to apples in regard to job responsibilities and duties.

Mayor Gillock stated the Service Superintendent and the Utilities Director could be looked at.

It was moved by Boose and seconded by Abens to recommend City Council review and consider the Ordinance as amended.

Assistant Clerk of Council Peet asked for clarity sake what exactly was being amended as she only heard one formal amendment. That amendment was Section 6(B) the word “earned” changed to the word “credited”. She asked what their decision was on the discussion with longevity and if they wanted to exclude the current salary employees that do not get longevity per their current Ordinance.

The Committee stated they would like to see those employees that legislatively do not receive longevity now to not be included in receiving longevity going forward as the goal was to phase out longevity.

President Corcoran stated making the footnote on page 4 of Exhibit B read the same as page 16(G).

Auditor Wilcheck asked the Committee about the 2.35% cost of living increase being built in.

The Finance Committee asked the Law Director to include the language into the Ordinance for Council to take a look at.

Assistant Clerk of Council Peet asked if there were any more amendments. No further discussion was added.

A voice vote was taken on the motion and it carried, 3-0.

Discussion regarding T 75-2018 An Ordinance creating the full-time position of Laboratory Manager:

Chairman DeVries turned the discussion over to the Superintendent of the French Creek Wastewater Treatment plant for explanation.

Superintendent Timko stated currently there is only one person in the lab as a technician. In order to obtain a Class 4 license, experience is needed in the management ranks.

Chairman DeVries asked if there would be a cost savings to contracting the services out.

Superintendent Timko stated there are daily tests that need done so there would not be a cost savings in contracting out. He noted the position was budgeted for in the 2018 budget.

Councilman Boose asked if a calculation could be done to show a cost savings and further asked if there was even a cost savings.

Superintendent Timko stated there was no cost savings, but just a slight increase. He added Matt will fill in as needed. The lab will still be understaffed compared to other plants.

Councilman Boose asked if he will be managing other staff members as he didn't see that in the job description provided. He also asked if the job description was written for the position or for Matt.

Superintendent Timko stated he didn't prepare the job description he just made some slight changes.

Safety-Service Director Armbruster stated the management responsibilities can be added to the job description as he will be supervising people. It will take about two and a half years for him to obtain the Class 4 licensure.

Superintendent Timko stated there could be two retirements at any moment.

Councilman Boose stated he would like to see the supervisor function added to the job description. He also suggested tightening up the requirements as well to specify what type of college degree is required, how much experience is required and update proper conditions for working environmental toxicity.

Superintendent Timko stated he would make those changes in the job description.

Safety-Service Director Armbruster stated the job description is not part of the Ordinance.

Councilman Boose stated he understood, but would like to see the changes before Council votes on the Ordinance.

It was moved by Boose and seconded by Abens to recommend City Council review and consider T 75-2018 as submitted.

A voice vote was taken and the motion carried, 3-0.

Discussion regarding T 76-2018 - an Ordinance amending the original Department Head salary Ordinance No. 2725-93 and subsequent amendments thereto by including the full-time position of Laboratory Manager and establishing the pay rate scale for this position.

Superintendent Timko stated this was just the legislation to establish the salary range for the Lab Manager position.

Chairman DeVries asked Auditor Wilcheck how much was appropriated for the position in 2018.

Auditor Wilcheck stated he didn't recall.

Councilman Boose stated he recalled the position was at the high end of the scale and further asked why a scale would be made for a person at the high end.

Auditor Wilcheck stated he agreed and suggested taking a look at it.

Chairman DeVries stated the Ordinance will be tabled to the next Finance Committee meeting in order to receive more information.

Discussion regarding T 84-2018 - an Ordinance creating the full-time position of Civil Engineer II (PE).

Engineer Rodriguez stated this position is not intended to be funded or filled at this point in time. It is being established to be proactive for the future to grow someone into a higher position.

Chairman DeVries asked if he had a person in mind for the position.

Engineer Rodriguez stated no.

Councilman Boose stated he felt the job description was outstanding.

Engineer Rodriguez stated he didn't draft it but he did tweak it.

It was moved by Boose and seconded by Abens to recommend City Council review and consider T 84-2018 as submitted.

A voice vote was taken and the motion carried, 3-0.

Discussion regarding T 85-2018 - an Ordinance amending the original Department Head salary Ordinance No. 2725-93 and subsequent amendments thereto by including the full-time position of Civil Engineer II (PE) and establishing the pay rate range for this position.

Engineer Rodriguez stated this is an Ordinance establishing the salary range for the position. He stated he reached out to other communities which information he provided to the Committee. He noted he held the current position while he was in the City of Lorain. The job description provided has more duties listed.

Councilman Boose asked how the pay scale for this position compares with the Civil Engineer I position.

Engineer Rodriguez stated Civil Engineer I range was \$52,000 to \$63,000. The person he put in the position is making \$60,000.

Councilman Boose asked if the position was included in the salary study and if not, could it be.

Safety-Service Director Armbruster stated it was not included. He added it could be looked at as Clemans Nelson and Associates, Inc. is on retainer.

Engineer Rodriguez noted he is down an Assistant City Engineer but the position will be filled in the next three weeks.

It was moved by Boose and seconded by Abens to table T 85-2018 until the Committee receives a study from Clemans Nelson and Associates, Inc. on the position.

A voice vote was taken and the motion carried, 3-0.

Chairman DeVries adjourned the meeting at 7:54 p.m.

These minutes were approved on _____.

Tara L. Peet, MMC
Assistant Clerk of Council